CHAPTER XII.—CHARITABLE ENDOWMENTS.

	Article.		Article.
Acceptance of Deposit	.. 209	Payment of Interest	.. 210

Acceptance of Deposit.

209. The following are the rules under which Government accept the deposit of moneys in the Government treasuries by private gentlemen who wish to secure a permanent income for the charities which they have already established or contemplate establishing within the State.

I. No deposits will be accepted for sums below Rs. 3,000 or above Rs. 1,00,000.

NOTE.—The minimum of Rs. 3,000 fixed in this rule has been temporarily reduced to Rs. 1,000. (*G. O. No. G.F.* 49-22, *dated* 24*th January* 1923.)

II. The rate of interest for such deposits which shall be payable half-yearly shall be fixed by Government from time to time.

NOTE.—In special cases of deposits accepted prior to 30th July 1917 and in all cases of deposits accepted thereafter, the rate of interest is fixed temporarily at 5 per cent, up to 29th July 1927. (*G. O No. Fl.* 559-622 *G. F.* 10-25-2, *dated* 29*th July* 1925.)

III. Deposits will be received only on behalf of benevolent, charitable or educational institutions or objects of a kind, which may be considered legitimate objects of public expenditure, Government reserving to itself the right to determine, in each case, whether the charity on behalf of which application is made, is of a character that deserves encouragement.

IV. The person wishing to make a deposit under these rules shall execute a document to the Government, binding himself, his heirs, executors or administrators, and the trustees, managers or agents appointed by him or them, (*a*) not to demand at any time the whole or any portion of the principal of the sum deposited, (*b*) not to use the interest payable by Government for any purpose other than the one specified and (*c*) to keep and maintain a true and correct account of the expenditure of the interest drawn in such form and with such details as the Government may from time to time prescribe. The account shall be open to the inspection of an officer or officers deputed for the purpose by the Government from time to time. Whenever it be found that the interest paid on the deposit has not been used for the benefit of the institution named, the Government may withhold the payment of interest, unless and until the depositor, his heirs, executors, or administrators or his or their trustees submit a scheme of management to the satisfaction of Government. The form of the document to be executed and the accounts to be maintained by depositors under this rule are given in Appendices XVIII and XIX. (*G. O. No.* 2089-98—*Muz.* 215-13-3, *dated* 13*th February* 1914.)

V. An annual report on the administration of the charity accompanied by abstracts of the accounts referred to in Rule IV in such form and with such details as the Government may from time to time prescribe, shall be submitted in respect of each deposit to which the benefit of this order is extended.

VI. The Government are at liberty at any time to terminate the system of receiving deposits as above for charitable purposes. (*G. O. Nos. Fl.* 472-502—*G. F.* 15-09-2, *dated* 15*th July* 1909 *and Fl.* 432-72—*G. F.* 15-09-1, *dated* 15*th July* 1909.)

NOTE.—The Muzrai Commissioner is authorised to accept charitable endowments under the above rules. (*G. O. Nos.* 1332-63—*Muz.* 63-22-9, *dated* 23—25*th September* 1922 *and* 2082—*Muz.* 291-22-1, *dated* 15*th January* 1923.)

Payment of Interest.

210. Interest on these deposits is payable in July and January of every year and is paid on bills, (Form 37) countersigned by the Deputy Commissioner or other officer authorised to countersign such bills and pre-audited by the Comptroller.

1. Bills claiming payment of the half-yearly interest due should in the first instance, be presented by the managers of the institutions to the countersigning officer with a report on the condition of the institutions concerned. The Managers or the Managing Bodies of the Charitable Endowments should submit to the officers who countersign the bills for interest on the endowments an annual report on the administration of the Charity and a brief statement of the accounts as required by the agreements executed by them on or before the 15th of January every year. No bill for interest should be countersigned after that date except on the receipt of the annual report above referred to, and after the countersigning officer has satisfied himself that the interest drawn previously has been properly utilised or accounted for. A certificate to this effect should be recorded on the bill by the countersigning officer. (*G. O. No. E.* 4020-70—*Edn.* 399-20-12, *dated* 26*th December* 1922.) The countersigned bills will then be forwarded to the Comptroller for audit and payment.

2. In case the Deputy Commissioner or other officer is satisfied that the affairs of the institutions are systematically mismanaged, he may refuse to countersign the bills so submitted, a written notice to this effect being immediately sent to the managers of the institutions concerned.

3. The Deputy Commissioner by himself or through his Sub-Division Officer should, whenever possible, enquire into the conduct of such institutions and once a year at least examine in detail the accounts maintained by their managers. Any cases of systematic mismanagement should immediately be taken notice of and remedial measures adopted. (*G. O. No.* 2089-98—*Muz.* 215-13-3, *dated* 13*th February* 1914.)